

## DIRECTORATE OF INTELLIGENCE EMPLOYEE BULLETIN

*The following is a transcript of remarks made by the Deputy Director for Intelligence, Edward W. Proctor, at an assembly of people from the Intelligence Directorate on 30 October 1974.*

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Good Morning Ladies and Gentlemen:

I'm Ed Proctor, the Deputy Director for Intelligence. I've arranged this meeting so that I can talk to you about some of the developments that have taken place in the Directorate over the last year or two, to tell you where I think we stand now, and to give you some feeling about what is likely to happen in the future.

In 1972 and 1973 we were being criticized both from within the Agency and from the outside for a number of things. First, it was said that our product was not relevant to policymakers' needs. It was said that we were reluctant to test and to adopt new ways of doing business. We were also being criticized for our management techniques, particularly in the field of personnel. The natural reaction of many of the old-timers - and I confess that I was one of them - was to protest, to say that the critics didn't know what they were talking about, they didn't understand, and to try to point out instances to refute the charges. Clearly, some of the charges were overdrawn and perhaps unfair. Others were quite valid and properly taken. Right or wrong, they were the views held by many to whom we were responsible, and it was necessary for us to take action. We started to make changes, to be more responsive, and to make the things we were doing right more visible.

We have made organizational changes to be more responsive to the express needs of our policymaker consumers. We created the Office of Political Research and the Strategic Evaluation Center in OSR. The purpose of these two organizations was to get behind the so-called facts of a situation and to generate a greater understanding in depth of the forces and factors that determine and influence how foreign governments make policy. Obviously, a considerable amount of work in these fields had already been done before our critics descended upon us, but the very fact of creating these new organizations has made our work in these areas clearly more visible. And more importantly, I think, their creation has given impetus and more consistent direction to these efforts and provided an environment in which this kind of research and work can be carried out more effectively. Even

at this stage of development, I am convinced that the changes were wise and that they have made a real difference in our product and our consumers' reception.

Much the same things can be said about new tools for analysis. I think we are making good progress in exploring and experimenting with new methodologies -- I don't like that expression at all -- but I'm not yet satisfied that we have made the bridge between experimentation with new techniques and the adaption of these new techniques as standard parts of our analysts' tools. Our record in this respect is uneven -- it's very good in economics; fairly good in some areas of military and geographic research; and I think it's poorest in our work in political analysis. Much more has to be done along these lines.

We have made landmark changes in the production of current intelligence with the creation of the National Intelligence Daily, the newspaper. The difficulty of this accomplishment can only be understood by those who were directly involved in the task. Those who are now involved in producing the NID have had to change their way of living. On the whole, though, I am very pleased with the NID as it stands now, and I think it will be a fixture with us for some time to come.

We have also shifted from the Central Intelligence Bulletin to the National Intelligence Bulletin. We have done this with much less difficulty but because of the termination of the DIA Intelligence Summary, there is still more to be done in making the NIB right.

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Without question, the arrangements we have with President Ford and the way he gets his current intelligence provides us with better access than we have ever had with any President in the past. Specifically, [REDACTED] who is from OCI, sees the President every morning at about 8 o'clock. Dave sits with the President while he reads special briefing materials and scans the National Intelligence Daily, and Dave has to know about everything so that he can answer whatever questions the President may have.

We have also made considerable changes in the structuring of the watch functions of the Agency. The CIA Operations Center has been transferred from OCI to the Office of the DDI as part of a program of consolidating the Agency's watch functions and before long it will truly reflect a center for all kinds of operations of this sort in the Agency.

Without going into detail, I would like to note the high praise we have received for our work in some of the other fields, even from some of our most severe

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critics. We've received praise for our work in support of the MBFR (Mutual and Balanced Force Reductions) negotiations and for our SALT support -- that is done by OSR and the SALT Support Staff; for OBGI, on the problems of disengagement in the Middle East and their work on the Law of the Seas; for OER, for its work on oil and monetary problems; and for CRS, in [REDACTED] support across the board. By its very nature, the work of other components in the Directorate -- like IAS, [REDACTED] CRS, and the various staff elements -- is less visible to outsiders, but I know, and those who get commendations from the outside know, that much of these identifiable successes could only have been accomplished with the full and cooperative efforts of these supporting elements.

After more than a decade of relative stability, the last two years have seen some significant changes in our organization, in what we do and how we do it. I hope we have come to realize that change is normal, because there are going to be many more changes to come. What these changes will be specifically is not yet clear, but I can identify some of the factors that will generate change in the future.

First, there is the hard fact that money and slots will be much tighter than even now. I don't expect any significant reduction in the number of slots in the Intelligence Directorate. In fact, the Directorate as a whole has not lost many slots over the past few years, and our funds have increased steadily. However, we will continue to adjust how these resources are allocated within the Directorate. Some of the things we do now, though useful and important, will have to give way to new tasks of higher priority. The dropping of the NIS Program and the establishment of OPR and SEC are examples of this.

The second factor of change will clearly be developments in the world. Some topics and some geographic areas which have been of lower priority will become higher priority simply because of world developments; for example, the problems of the Middle East and Europe have become far more important than they were five or ten years ago.

The third element of change will be that sooner or later the people who are involved in the formulation of US policy will change, and with that change there will be changes in the way we do business. It seems to be a matter of principle that one administration does not do business the same way as the previous administration.

Fourth, somewhere along the line -- and I'm not predicting anything on this -- there will be changes in the leadership of the Agency and the Community. These will create changes in the management and procedures that we follow. All one has to do is to look at what has happened over the last two years to get some feeling of what might happen in the future.

Fifth, there will be some changes in how Congress oversees the Agency and the legislation governing our operations. I don't foresee these changes impacting directly on this Directorate, but I believe that such changes will be good for the nation and that they will benefit the Directorate indirectly.

And sixth, changes will be originated by me, as I feel that conditions require them. All these factors for change -- resource restraints, changes in priorities, changes in our consumers, changes in Community leadership, and all the others -- will combine to present us with new challenges. In our reaction we must be far more flexible, more adaptable, more willing to accept and to adjust to change than we have ever been in the past. In this respect I see several positive achievements:

First of all, you should look forward to the development of the SAFE Project that CRS is managing. It's an ambitious and challenging program to provide computer support to analysts in the reading of their mail and keeping of their files and organizing their data.

Second, there will be increasing pressures to allot more money to the application of new techniques. I foresee the increased use of external research contracts to supplement our own research, and we will be expanding our contacts with the academic world on the outside.

Finally, there will be a marked increase in our foreign travel programs and in our specialized training programs.

Let me now turn to management. All that I have said so far should indicate that we must be good managers of our resources. We must become alert to new developments that will affect our operations, and we must be better planners to anticipate and be prepared to solve problems before they are flat upon us. In no other area is this more important than in how we manage our people. There is no question in my mind that the people in this Directorate -- you people, your skills, your competence and experience, your imagination and initiative, and above

all your integrity – are the most important asset we have. It is for this reason that we are focusing our management efforts at this time in this area.

We have recently issued a Personnel Handbook so that everyone will know what our policies are with respect to such important things as promotion, training, and travel and so that you will know how to press grievances and how to get counseling.

We have also recently instituted an Advancement Opportunities Program on a pilot basis to give qualified clericals the opportunity to shift into professional positions, and much more along these lines will be forthcoming. We must do much better than we have in the field of equal opportunity. This is a problem that will be with us for some time and the solutions are very difficult.

I think we have a very good esprit de corps, and I want to improve it. But not at the expense of our cooperation with other elements of the Agency and the Community as a whole. We in the Directorate have a role in the intelligence process. There is plenty for all of us to do. The watchword as far as relations with the rest of the Agency and the Community are concerned must be cooperation. In this respect there are problems that still must be solved.

How do we interface with the IC Staff? I am sure that this will improve. I am sure that Sam Wilson, who is now head of that staff, will do everything in his power to make our relationship with that staff effective.

Second question. How do we adjust to the NIO system? I know there are difficulties, but I am confident also that these difficulties will be ironed out, if for no other reason than because most of the people involved are reasonable and professional in their attitude, and because the tasks that we have before us are so clearly important.

The third question is: What's to become of the Key Intelligence Question (KIQ) and KIQ Evaluation Program (KEP) business? This is clearly a difficult question, and all I can see is that time and experience will solve it to the extent it will be solved. Mr. Colby knows that there are problems with it and is willing to make adjustments, but he is determined to make something like this work. It is our role to help him do that.

To sum up, I think we are doing our job very well. Some of the severest critics are coming around. On the whole I believe that we are better than any other intelligence organization in the world, but we cannot be satisfied with this. There is always room for improvement. I know from past experience that there are many of you in this audience who will be pushing for changes and improvements, so that we will be able to accomplish the things that I have outlined above, and I want to encourage you to push to make your suggestions so that we can be better.

NATIONAL FOREIGN ASSESSMENT CENTER

11 October 1977

MEMORANDUM FOR: All NFAC Employees

Today, the Director of Central Intelligence has established the National Foreign Assessment Center, which brings together the members of the National Intelligence Staff and the Directorate of Intelligence. Attached is a short paper which explains the purposes of NFAC, how it will operate, and the roles of various officers and components under the new arrangement.

The primary objective of the new organization is to produce the best possible intelligence. Success depends on the contribution of each of you. We count on your cooperation and assure you of our support.

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Robert R. Bowie  
Director

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Sayre Stevens  
Deputy Director

Attachment

National Foreign Assessment Center

In his recent Directive the President reaffirmed the DCI's "full responsibility for production of national intelligence in appropriate consultation with departmental analytic centers." National intelligence is in effect that intelligence which the President and the National Security Council expect the DCI to provide, from the fully coordinated National Intelligence Estimate to the short, informal memorandum prepared by a single production office, from the product of extended research to immediate current intelligence.

To facilitate the meeting of these responsibilities, the NIO and DDI organizations are being merged into a new National Foreign Assessment Center. This new structure is intended to remove organizational barriers which have artificially segmented the process of producing national intelligence. It will provide for the same degree of Community participation as in the past, but will recognize as well the national importance of much of the Center's own product. It also establishes a foundation upon which new efforts to improve the quality of our finished product can build.

The merger has some well defined purposes:

- To consolidate analytical resources to cope with the full range of production responsibilities including those involving coordinated national intelligence.
- To allow for the development of a program of national intelligence analysis and production that will result in the most effective -- and least disruptive -- use of our limited analytical resources.
- To provide the basis for a concerted effort to improve the national intelligence product and the analytical capabilities of the combined NIO and DDI organizations.
- To establish mechanisms to ensure the introduction of skills and knowledge outside the Intelligence Community into the intelligence production process.



- To improve and toughen the critical review of key intelligence products.
- To maintain developed procedures for producing coordinated national intelligence and for fostering the interdisciplinary treatment of key intelligence problems.

Achieving these purposes will require that we adopt some new operating styles, procedures and organizational mechanisms. The new organization should:

- Achieve genuine integration of the functions of the two groups.
- Allow concentration on substantive matters at the highest levels of the organization.
- Enable upper management to work directly with the analysts in dealing with specific intelligence problems.
- Give high priority to the formulation and implementation of a program of production and research which reduces competitive demands on analysis in favor of its programmed allocation.
- Ensure that the Community voice is preserved in National Intelligence Estimates -- our most important product -- while not overemphasizing the distinction between "Community" and "Agency" national intelligence products.
- And above all else, develop an ubiquitous concern for the excellence of our product.

Procedures will be developed and organizational changes made where they are required to achieve the objectives of the consolidation and the style of operation sought. An early task will be the development of procedures that will ensure:

- Program formulation and oversight with the full participation of those involved in directing the research and analysis from both the disciplinary and issue-oriented points of view.
- A critical review from outset through completion of major intelligence products that incorporates perspectives drawn from outside the Intelligence Community.

- A systematic program to enhance the analytical capabilities available for the production of national intelligence.
- The maintenance of close relations with those collection, processing, and R&D elements of the Community on which our analytical activities rely.

The only major organizational changes now contemplated are the merger of the Offices of the Deputy to the DCI for National Intelligence and of the Deputy Director for Intelligence, and of the National Intelligence Officers with the Center for Policy Support. These changes will result in a single front office supported by a single substantive staff for the entire organization.

The leadership of the Center will consist of a Director, a Deputy Director and two Associate Directors. They will function as the central management team responsible for the formulation and supervision of the substantive production programs of the Center. An approximate distribution of responsibilities among these four positions is as follows:

- The Director will be responsible for the full range of Center's activities, but his principal activity will be to serve as the principal substantive alter ego to the DCI. In this capacity, he will give special attention to improving the quality of National Intelligence Estimates and other papers prepared for the senior policy community. He will work directly with the senior officers and analysts engaged in the process of preparing these papers. He will also have immediately available to him the services of a Review Panel and outside experts for substantive review and critique of major production efforts.

- The Deputies. In addition to their joint responsibilities to support the Director in his production management and substantive responsibilities, each of the Deputies will have specified primary responsibilities to execute in behalf of the Director. They will all participate with the Director in a Production Board responsible for the formulation and oversight of the production program.

- The Deputy Director will serve as the principal Deputy to the Director and as his alter ego. In addition to this responsibility, his major concern will be the day-to-day management

and direction of the substantive research program, giving special attention to the development and strengthening of the analytical skills available for the production of national intelligence.

- The Associate Director for Management will, in addition to his substantive responsibilities as member of the Production Board, be the principal officer responsible for resource management and administration within the Center.

- The Associate Director for Substantive Support will be the principal officer responsible for directing the provision of short term substantive papers, presidential and congressional briefings, and the production of current intelligence. One objective is to assure the high quality of current intelligence while ensuring that its demands do not interfere unduly with those activities directed toward longer term, more deeply analytical production.

- The National Intelligence Officers, in addition to their current functions, will assume those formerly carried out by the Center for Policy Support, and serve the Director as staff for the Center as a whole. They will report directly to the Director for substantive guidance and direction. Each NIO will have the following responsibilities within his field:

- Maintenance of close liaison with policy officers and other principal users.
- Coordination and supervision of Community-wide national intelligence production programs, with emphasis on National Intelligence Estimates.
- Coordination and monitoring of interoffice or interdisciplinary intelligence programs.
- In conjunction with the production office directors, developing, monitoring and advising the Director on the production program.
- Serving as senior staff officers to the DCI and the Director in such capacities as they may direct, and especially as the DCI's representatives in the Policy Review process.

- The Office Directors will continue to be responsible for the management of their respective offices and for the quality of their products. They will give particular attention to developing and improving analytical capabilities and to the formulation for the Production Board programs of research and analysis within their substantive domains that anticipate and are responsive to the needs of the policy community. They will participate in all Production Board deliberations affecting their offices.

In addition to these organizational accommodations to the consolidation, two new bodies will be established in pursuit of its principal objectives:

- A Review Panel will consist of a small group of generalists, mainly recruited from outside and serving full-time; they will be attached immediately to the Office of the Director to provide him with an independent review of major intelligence production. There will also be a number of more specialized part-time consultants, who will supplement the Review Panel as needed. Production office directors and National Intelligence Officers may be called on to serve as members of review panels. The Review Panel will be served by the existing staff of the DDI Coordinator for Academic Relations, which will function as its Secretariat.


- A Production Board will be the principal mechanism for shaping the focus and content of the integrated intelligence production program. It will function as a collective body to advise the Director on all aspects of intelligence production and research. It will be chaired by the Director and its membership will include the Deputy and Associate Directors, production office Directors, and National Intelligence Officers. The Board will, from time to time in the interest of efficiency, establish Panels to work up programs and perform other appropriate functions. The Production Board will be served by a Secretary responsible for overseeing the process of program formulation and monitoring its implementation.

22 December 1977

TO ALL NFAC MEMBERS

As we enter the holiday season I want to thank you for your contribution to our joint efforts. To my regret, an unexpected press of business has prevented me from attending many of the Christmas parties. My apologies, my thanks again, and my best wishes to each of you and to your families for a:

Merry Christmas and Happy New Year.



Robert R. Bowie  
D/NFAC

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